

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

STRAITSHOT RC, LLC, a Washington corporation,

Plaintiff,

V.

TELEKENEX, INC., a Delaware corporation;  
et al.,

## Defendants.

TELEKENEX, INC., a Delaware Corporation,

### Third-Party Plaintiff,

V.

STRAITSHOT RC, LLC, a Delaware limited liability company; et al.,

### Third-Party Defendants.

MAMMOTH NETWORKS, LLC, a Wyoming limited liability company,

### Third-Party Plaintiff,

V.

CLARITAGE STRATEGY FUND, L.P., a Cayman Islands limited partnership, et al.,

## Third-Party Defendants.

DECLARATION OF LEONARD A. GAIL IN OPPOSITION  
TO TELEKENEX, INC.'S MOTION FOR PROTECTIVE  
ORDER QUASHING SUBPOENA TO WELLINGTON  
FINANCIAL USA, INC.

FINANCIAL USA, INC.  
CASE NO. C10-268 TSZ

CASE NO. C10-268 TSZ

**DECLARATION OF LEONARD A.  
GAIL IN OPPOSITION TO  
TELEKENEX, INC.'S MOTION FOR  
PROTECTIVE ORDER QUASHING  
SUBPOENA TO WELLINGTON  
FINANCIAL USA, INC.**

**NOTE ON MOTION CALENDAR:  
October 22, 2010**

SUMMIT LAW GROUP PLLC  
315 FIFTH AVENUE SOUTH, SUITE 1000  
SEATTLE, WASHINGTON 98104-2682  
Telephone: (206) 676-7000  
Fax: (206) 676-7001

1 I, Leonard A. Gail declare as follows:

2 1. I am counsel of record for Plaintiff Straitshot RC, LLC ("Straitshot"), and I make  
3 this declaration on personal knowledge.

4 2. Attached hereto as Exhibit 1 is a true and correct copy of the Expert Report of  
5 Lorraine Barrack in this matter, entitled Valuation of 100% of Business Enterprise of Straitshot  
6 Communications, Inc. as of February 20, 2009, dated March 31, 2010.

7 3. Attached hereto as Exhibit 2 is a true and correct copy of a Wellington Financial  
8 USA, Inc. press release, entitled "Wellington Financial Provides \$5.5 million in Financing to  
9 Telekenex," dated August 9, 2010.

10 4. Attached hereto as Exhibit 3 is a true and correct copy of a letter from Jessica L.  
11 Goldman to Wellington Financial USA, Inc., dated September 22, 2010.

12 5. Attached hereto as Exhibit 4 is a true and correct copy of the Expert Rebuttal  
13 Report of Stephen C. Ross in this matter, dated September 30, 2010.

14 6. Attached hereto as Exhibit 5 is true and correct copy of a Telekenex press release,  
15 entitled "Wellington Financial Provides \$5.5 million in Financing to Telekenex," dated August 9,  
16 2010.

17 7. Attached hereto as Exhibit 6 is a true and correct copy of a *San Francisco Business*  
18 *Times* article, entitled "Telekenex raises \$5.5M," dated August 9, 2010 (found in  
19 [www.bizjournals.com/sanfrancisco/stories/2010/08/09/daily11.html](http://www.bizjournals.com/sanfrancisco/stories/2010/08/09/daily11.html)).

20 8. Attached hereto as Exhibit 7 is a true and correct copy of a letter from Brandon  
21 Chaney to Valued Customer of AuBeta Networks Corporation, dated April 5, 2009.

22 9. Attached hereto as Exhibit 8 is true and correct copy of a Telekenex press release,  
23 entitled "Telekenex Announces Sale of Data Center Business," dated March 6, 2008.

24 10. Attached hereto as Exhibit 9 is true and correct copy of a Telekenex press release,  
25 entitled "Telekenex Announces Painless Migration Program for Covad VoIP Customers," dated  
26 March 13, 2008.

11. Attached hereto as Exhibit 10 is a true and correct copy of a Telekenex press release, entitled "Walden Leads Equity Investment in Telekenex," dated April 16, 2007.

12. Attached hereto as Exhibit 11 is a true and correct copy of a Dun & Bradstreet report, dated August 17, 2010.

13. Attached hereto as Exhibit 12 is a true and correct copy of Defendant Telekenex, Inc.'s Second Interrogatories and Requests for Production to Straitshot Communications, Inc., dated November 24, 2009.

14. Attached hereto as Exhibit 13 is a true and correct copy of an email from Jessica L. Goldman to Leigh Ann Tift, dated September 30, 2010.

15. Attached hereto as Exhibit 14 is a true and correct copy of an email from Jessica L. Goldman to Leigh Ann Tift, dated October 6, 2010.

16. Attached hereto as Exhibit 15 are true and correct copies of excerpts from the deposition of Larry Bani, taken October 14, 2010.

17. Attached hereto as Exhibit 16 are true and correct copies of excerpts from the deposition of Karen Salazar, taken October 15, 2010.

18. Attached hereto as Exhibit 17 is a true and correct copy of an email from Jessica Goldman to Leigh Ann Tift, dated October 6, 2010.

19. Telekenex has produced very little financial information in response to Straitshot's document requests, and it has not timely updated what little documents it did produce.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED in Chicago, Illinois, this 20th day of October, 2010.

/s/Leonard A. Gail  
Leonard A. Gail

DECLARATION OF LEONARD A. GAIL IN OPPOSITION  
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## **CERTIFICATE OF SERVICE**

I hereby certify that on this day I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

Leigh Ann Collings Tift  
LITTLER MENDELSON, P.C.  
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Seattle, WA 98101  
[ken@winterbauerdiamond.com](mailto:ken@winterbauerdiamond.com)

DATED this 20th day of October, 2010.

/s/ Deanna L. Schow  
Deanna L. Schow  
Legal Assistant  
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DECLARATION OF LEONARD A. GAIL IN OPPOSITION  
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